

**CONTRACT OF EMPLOYMENT****BETWEEN THE UNDERSIGNED****Cell Tissue Progress**

incorporated as a *société anonyme* with capital of 250,000 francs currently being registered at the Paris Trade and Companies Register (RCS), having its registered office at 8, boulevard Berthier, 75017 Paris

represented by Mr. Philibert du Roure, Chairman of the Board having full powers for this purpose

for the one part

**And**

**Mr. Farzin SAREM**

of 19, rue de Morvan, 54500 Vandoeuvre les Nancy, born January 16, 1953 in Tehran (Iran), of French nationality

for the other part

**THE FOLLOWING HAS BEEN AGREED****ARTICLE 1 - EMPLOYMENT**

Mr. Farzin SAREM states that he is free from any employment and is taken on by Cell Tissue Progress, subject to the recruitment medical examination.

The applicable Conditions of Employment will be determined within two months of the company being set up.

**ARTICLE 2 - DURATION OF CONTRACT**

The present contract is agreed for an indeterminate duration starting February 25, 2000, 9 AM.

**ARTICLE 3 - RESPONSIBILITIES**

Mr. Farzin SAREM is employed as Research and Development Manager responsible for developing products and supervising production, and will have Executive status.

By their very nature, his responsibilities will tend to develop, firstly because of the need for the company to be flexible and because of its requirements, and secondly because of the abilities and the increasing competence of Mr. Farzin SAREM.

Mr. Farzin SAREM reports to General Management.

Mr. Farzin SAREM will act exclusively for Cell Tissue Progress or one of its subsidiaries.

**ARTICLE 4 - PLACE OF WORK**

Mr. Farzin SAREM will act initially at Vandoeuvre les Nancy, and then at the Research and Development Center that is to be established at Sophia Antipolis, during the summer of 2000.

In order to make it easier for Mr. Farzin SAREM to move, it is agreed that Mr. Farzin SAREM may benefit from reimbursement for two trips (including two hotel nights each) to the Sophia Antipolis region, and that his removal expenses (after prior approval of estimates) will also be reimbursed.

Depending on its business requirements, Cell Tissue Progress reserves the right to ask Mr. Farzin SAREM to undertake temporary trips. In which case, Mr. Farzin SAREM will be reimbursed for his professional expenses, in accordance with Article 7.

**ARTICLE 5 - WORKING TIME**

Mr. Farzin SAREM will work 39 hours per week, spread over business days. Nevertheless, given the specific nature of his functions, Mr. SAREM, in agreement with management, shall benefit from full freedom to match his working hours to requirements.

**ARTICLE 6 - REMUNERATION**

In return for his work, Mr. Farzin SAREM shall receive, for his first year of work, a fixed gross annual salary of four hundred eighty thousand (480,000) francs.

Mr. Farzin SAREM will receive an exceptional bonus for beginning of activity amounting to sixty-five thousand six hundred twenty-five (65,625) francs, to be paid with his salary of February 2000.

He will also benefit from a year-end bonus of 25% of his fixed gross salary, subject to achieving sales under the conditions of the budget as approved by the Board. For the year 2000, the bonus will be one hundred twenty thousand (120,000) francs.

Mr. Farzin SAREM's overall remuneration (fixed + variable) will be redefined periodically by the managing bodies of Cell Tissue Progress. For this purpose, Mr. Farzin SAREM shall have a formal meeting with his hierarchical superior at least a year.

**ARTICLE 7 - PROFESSIONAL EXPENSES**

Mr. Farzin SAREM's professional expenses will be reimbursed each month on presentation of documentary proof, and in compliance with an overall limit to be defined by the management.

**ARTICLE 8 - PROFESSIONAL DUTIES**

It is expressly agreed with Mr. Farzin SAREM that:

- a) Throughout the performance of the present contract, he undertakes to devote his entire professional activity and care to Cell Tissue Progress and its subsidiaries. Consequently, he undertakes not to perform any professional activity either on his own account or for a third party.
- b) During the execution of the present contract, he expressly undertakes not to take any interest directly or indirectly in any manner, for any reason whatsoever, in any present or future business that could be in competition with Cell Tissue Progress.
- c) Throughout the execution of the contract, and after it has terminated, he undertakes to observe complete discretion over the methods and activities of Cell Tissue Progress and its clients, and also to avoid giving any information that might be prejudicial to the company.

Failure to comply with this clause is liable to be considered as constituting serious, or even gross, negligence.

**ARTICLE 9 - PAID HOLIDAYS**

Mr. Farzin SAREM will benefit from the welfare benefits in force by virtue of the laws, regulations, and agreements that apply to executives of the company.

Mr. Farzin SAREM will benefit from annual paid holidays allocated in compliance with the laws, regulations, and agreements that are in force.

The period of such holidays is to be determined by agreement between the management and Mr. Farzin SAREM, with account being taken for the requirements of the job.

#### ARTICLE 10 - CONDITIONS OF PERFORMANCE OF THE CONTRACT

Mr. Farzin SAREM undertakes to observe all the instructions and particular advice concerning his work that are given to him. He shall also transmit them to his subordinates and will be responsible for ensuring that they are properly applied.

Mr. Farzin SAREM shall be required to inform the business immediately of any change subsequent to his recruitment that might intervene concerning his civil status, his family situation, or his address.

#### ARTICLE 11 - NON-COMPETITION CLAUSE

In the event of the present contract terminating for any reasons whatsoever and regardless of which party initiated the break, Mr. Farzin SAREM undertakes not to take any interest whether directly or indirectly for any reason and in any way whatsoever (employee, non-employee, personal business, partner, company agent, etc.) in any present or future business that might compete directly with Cell Tissue Progress. It is expressly agreed that performance of the present clause is limited to a period of one year, starting from the date of departure of Mr. Farzin SAREM.

Cell Tissue Progress will have the option of releasing Mr. Farzin SAREM from the non-competition clause, providing it is informed in writing. In the event of the non-competition clause being applied, Mr. Farzin SAREM shall be entitled to an indemnity under the conditions set out by the applicable Conditions of Employment, and in the absence of specific matter therein, under the conditions set out by the nearest Conditions of Employment.

After leaving the company, Mr. Farzin SAREM undertakes to maintain strict confidentiality over all information he holds concerning the activities of the company.

In the event of Mr. Farzin SAREM contravening the dispositions of the present clause, he shall pay a lump sum indemnity to Cell Tissue Progress for each observed contravention, the lump sum amounting to the remuneration that he acquired during his last six months of remuneration, with this being independent of any right that Cell Tissue Progress might have to bring an end to the contravention by any legal method.

The present contract is drawn up in two originals.

Done in Paris on February 22, 2000

For Cell Tissue Progress  
Mr. Philibert du ROURE

(signed)

Mr. Farzin SAREM

(signed)